WORLD CHRONICLE

UNITED NATIONS

FOR IMMEDIATE RELEASE

DURATION: 28'00" TRANSCRIPT AS BROADCAST

PROGRAMME: **"WORLD CHRONICLE"**

GUEST: Mahbub Ul Haq, Special Advisor to the Administrator, UNDP

JOURNALIST: Bhaskar Menon, PTI-TV, India
Ruth Pearson, Business Week Magazine
Ian Steele, The Press Foundation of Asia

SYNOPSIS

HUMAN DEVELOPMENT

Mahbub Ul Haq, Special Advisor to the Administrator of the United Nations Development Programme (UNDP) discusses the Agency's new report on Human Development. Mr. Haq emphasizes the link between freedom and development. By freezing military budgets, he says, developing countries can free nearly 50 billion dollars a year to be used for more productive purposes.

"WORLD CHRONICLE" is produced by the Information Products Division Department of Public Information, United Nations, New York, N.Y. 10017. U.S.A.

Executive Producer: Kamil Taha
Director: Livingston Hinckley
Production Assistant: Eloisa Ugalde

Programme No. 431 Recorded on 9 April 1991

VOICE From United Nations Headquarters in New York, this is **WORLD CHRONICLE**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **WORLD CHRONICLE**.

LITTLEJOHNS: I'm Michael Littlejohns and this is **WORLD CHRONICLE**.

The goal of human development is to improve the quality of life. But for people to achieve that objective, they must enjoy freedom, cultural, social, economic and political. A recent report published for the United Nations Development Programme, or UNDP brings out the high correlation between human development and human freedom.

Our guest today, Mahbub Ul Haq, is a special advisor on human development to the Administrator of the United Nations Development Programme.

Mr. Haq, a former Minister of Planning and Finance in his native Pakistan, is chief author of the Human Development Report.

He will be interviewed here at United Nations headquarters in New York by: Bhaskar Menon of PTI-TV of India; Ruth Pearson of Business Week Magazine; and Ian Steele of the Press Foundation of Asia.

Before we begin our discussion let's look at an example of human development.

Our correspondent Steve Whitehouse reports:

""No future for Rodrigo D", a film about life in the streets of Colombia, is box-office-hit number one in Bogota. But waiting in line for the movie, people get to see the real street life.

Ricardo is 15 years old and most of his life has been spent in the streets, making some money with circus tricks. For children without artistic talent, life is even tougher. The money to buy food is often begged or stolen. More than 50% of street children have a history of drug abuse.

Now Ricardo has experienced a major change in his life. In September, UNFDAC, the United Nations Fund for Drug Abuse Control, opened a workshop for wooden toys in Bogota as part of a drug prevention programme. UNFDAC hired ten boys from the street as workers. Unlike other programmes, it is not just a vocational training - it is a real job, daily from eight to three, with deadlines and rigorous quality control. 30 similar workshops are planned for Bogota which has 5,000 street children.

Their future is promising - the two major clients, the Red Cross and the Colombian Family Welfare Institute have already ordered one million building blocks. But a major company goal is for the workers to take control over their own lives, says Director Angel Lossano".

"Basically, the project helps to build self-esteem. It helps the children believe in themselves so that they are aware that they have the ability to develop their full potential. And in a short time, they will become the owners of their own business".

READEX FICHE

"Street life was all too often mixed-up with drug taking. Jaime, William and Carlos now live in a much healthier environment. They each earn over 200 dollars a month and can afford to share an apartment. It's their first real home in a long time.

"I never had a home. My mom slept near the train platform. The only thing I remember is her holding me. Then she was given a home but they took me away from her to live with my grandfather. My uncles beat me up because I didn't do my school homework. Then I left".

"I don't want to go in the streets again. Life in the street is so bad".

"In the street one has a hard life. There's a lot of suffering. If the police find you, they would beat you up. Sometimes they take you to a distant place and kill you".

LITTLEJOHNS: Mr. Haq, we've just seen an example in Colombia of something which is being done for children to help their human development. Is this typical of what is happening elsewhere in the Third World and is this addressed in your Human Development Report?

HAQ: I think these issues are beginning to be addressed but these children without a future, they illustrate dramatically the nature of the problem in country after country and the conventional wisdom is that developing countries are too poor to look after these children, to look after the human needs of the future. The Human Development Report, in fact, demonstrates and documents that this conventional wisdom is not correct. Many of the same

countries which are devoting such limited resources for human development are spending very large resources on the military budgets, on the loss-making public enterprises. There's a good deal of corruption and capital flight in these countries. In fact, the Report documents that as much as 50 billion dollars a year can be released by the developing countries for problems of this kind if only they set the priorities right.

LITTLEJOHNS: But you've mentioned the expenditures on armaments. As long as the world is in the troubled state it is in. it's very difficult to get the substantial amounts of money that you are talking about out of the arms budgets, is it not? I mean, people are not going to be cutting back on their expenditures on arms as long as they feel they need these arms for self-defence.

HAQ: The question is defence of whom? Defence of the régimes, defence of the ruling élite, defence of the people? And the question is also what level of defence expenditure. Many of these poor developing countries in Africa, in south Asia in particular, not Latin America - who have been more careful - they are spending three times as much on the armies as on the education and health of the people. Does it really give them long-term security? Won't there be political and social economic turmoils within these countries? And I have a feeling - and I come from a developing country and I have some intimate knowledge of what goes on - I have a feeling that a good deal of expenditure is used in many of the countries to protect the ruling élite against their own people rather than for external defence.

MENON: Dr. Haq, I find your Report enormously interesting and a conceptual advance which is absolutely essential that we made. And I agree with you also when you say that defence expenditures are probably too high in most developing countries. But having said that, wouldn't you also agree that the priorities that are reflected in the developing countries originate from the developed countries? In other words, the security environment in which these countries exist, for instance, in south Asia, which you've mentioned, are the direct result of the policies of the developed countries, primarily those countries which control the international system. The security concerns of these poor countries are set by the policies of the rich and that is a link which is not in the Report.

HAQ: I would agree that the developing countries live in the international environment. It can't be divorced from attentions which arise from that kind of environment. And I do agree that initially the dialogue on peace and security has very much been an east-west dialogue. There's been a dialogue conducted in Geneva - disarmament talks between NATO and Warsaw Pact countries. It's a dialogue in which the Third World countries have been left out. Even though the hundred and twenty conflicts since the Second World War took place on the side of the Third World countries and more people died in these conflicts than in the Second World War. Now, it's true that the developing countries cannot be viewed in isolation. And today we should generate pressure that if the consequences of the Cold War are being liquidated in the context of Europe, why not in the context of the Third World? That means phasing out military bases in the Third World. That means cutting off defence assistance to the Third World countries. And that means putting some restraints on the shipment of sophisticated arms to the Third World. It may be said that these arms go from private

sector, how can we control them? Let me remind you, there are restraints today even on the export of sophisticated technology for development. Why not for destruction? In the context of Iraq, they've already learned that these arms shipments and three-fourths of the arms shipment today in the world are going to the developing countries but these arms shipments at some stage can become a great international embarrassment. Why not now try to roll it back and put some restraints in the future on sophisticated arms shipments to the Third World? These are all hangovers from a Cold War era which is coming to an end in Europe. The question is, would we have the imagination? Would we have the skill to design structures of peace and security in the developing countries as well?

LITTLEJOHNS: Mr. Haq, you've talked about phasing out foreign military bases but if that would happen in many countries, there would be an enormous increase in unemployment because these bases employ thousands of local people.

HAQ: If the expenditure which has been made on the military bases is replaced by expenditure on development, the employment will occur not in unproductive causes but hopefully in something which is more productive and worthwhile.

PEARSON: For the last eight months, we've heard a great deal about the new world order and the 1991 Human Development Report speaks of a new human order. Can you explain what this involves?

HAQ: Basically, the concept of a new human order is putting people at the centre of development and reviewing all issues, whether it is trade, aid, migration, environment, from the point of your people. Take for instance, the question of debt. Ultimately, it's not just a technocratic question of how

it is to be restructured, whether the commercial banks are going to lose an international institution and who pays for it. It's also a question of what are the implications of this debt for postponing human development or social costs and how can it be restructured in such a fashion that human development is furthered in these countries.

PEARSON: How will the banks, for instance, accept this view on how they should judge being paid what is owed to them?

HAQ: Ultimately, developing countries represent at the moment eighty percent of the world population. The new children who are being born, ninety-three percent are in the developing world. This is the generation of the twenty-first century. Can you imagine any world order, human or inhuman, in which economic prosperity can be sustained unless ninety-three percent of the new population has also economic power, has purchasing power, can buy their consumer goods of the future, can fuel the technology of the future? Can you imagine that only seven percent of the population of the world will be able to generate the demand and the technology and the supply of the future? That is the issue. And if it is put in terms of people and not only just in terms of current technocratic debates, I think people will begin to see how it is in the interest to have economic development and human development in the Third World which constitutes the majority of world population.

STEELE: Dr. Haq, you've put the ball for development squarely in the Third World court. There's very little reference, relatively speaking, to external aid flows, debt relief in the Report. How should one read that? Are you pessimistic about the new term, in terms of the degree to which countries in the future, the developing countries can rely on external help?

HAQ: We are a little worried, frankly, that the Report may be interpreted as advocating no additional resources domestically or internationally. We are a bit worried that the plea for using existing resources well may be confused with no need for additional resources. We believe that the best argument for additionality of resources is that existing resources are spent well. There is already a certain wariness about aid. But if we can demonstrate that aid budgets are really helping people; that they link to their future requirements; that they are being spent efficiently, we might be able to convey a message to the donor countries that the funds are not money down the drain. We have analyzed here how little foreign aid goes into human priority concerns. Only one-twelfth of the present aid is linked with things which really go to the masses - primary health care, basic education, family planning, rural water supply, social security, food subsidies, other issues that link up with human development. Only one-twelfth. If aid budgets are tight, isn't it logical first to restructure priorities and take these budgets towards human priority concerns?

STEELLE: I would agree. Where do the two mesh? You mentioned capital flight, corruption. These were buzzwords in the last decade. They were the language of the Republican administration in the United States and they were very much an excuse for inaction at that time. Where does one mesh this language and how can one do it satisfactorily to develop a new culture for development? In a sense you are re-writing a language for development.

HAQ: I think it would be tragic if one uses these as buzzwords and as a plea for inaction. Surely, no one can deny that developing countries have a lot to do in checking the military expenditures, in checking their corruption, in checking

their over-extended public sectors which are losing money, in getting into agriculture, industry and many businesses where governments have no business in and in neglecting the social sectors. Surely that reform has to come but that reform should be used as a basis for doing more, not doing less. I think the developing countries have sought too long this criticism that they are not managing their own economic house under the same fear that if they accept it - which they are very conscious of - but if they accept it, it might be said, that they don't deserve more support. I believe that the new order, the new relationship that has to be built between developed and developing countries, is to be built not on symbolism, not on just symbolic skirmishes, but on the basis of honest analysis. This is what this Report offers, both in the domestic field and next report is going to be on global dimensions of human development and all those issues, Mr. Steele, that you are mentioning, of aid and trade and debt and other issues, they will be taken up and their relationship with human development but we are trying to do this in sequence, not all at the same time.

LITTLEJOHNS: The programme is **WORLD CHRONICLE**. Our guest is Mahbub Ul Haq, a special advisor to the Administrator of the United Nations Development Programme.

MENON: Dr. Haq, just as we are talking at the United Nations about the end of the colonial period and the end of the last few territories that are under colonial rule, we find the situation where the developing countries are exporting some thirty to forty billion dollars every year to their former colonial masters. Is this a new form of colonialism?

HAQ: There is a huge transfer of resources going from poor countries to the rich countries. This is happening because of the debt problem. The developing countries are being asked to repay the past debts without enough additional money becoming available to have a positive transfer of resources. This is something which was not part of the bargain that many international corporations started. I said that sometime back, half jokingly, that if we knew in the 1940's that a new framework of international co-operation was being put together, that within a few decades we shall be supporting the development of the rich countries and transferring resources to them, we will have had second thoughts about accepting that framework of international co-operation. I think the heart of this issue is how to settle the debt problem. In terms of history, debts of this kind have never been paid. When in the 1920's Germany was asked to pay reparations and heavy debts, it was said: Don't do it, it may lead to a kind of austerity and oppression and fascism that the world would regret. And that's what happened with the rise of Nazi Germany. And the second time, after the Second World War, the world had learned instead of asking Germany to pay reparations, or Japan to pay reparations, the Marshall plan was brought in to re-build those economies and to become partners rather than main debtors. I think much the same kind of gesture will have to be made to developing countries at some stage because debts of 1.3 billion dollars are not going to be paid without that kind of austerity, turmoil and domestic repression which will be very counter-productive in the Third World.

LITTLEJOHNS: Mr. Haq, speaking of reparations, do you feel that there was a mistake to ask or demand, in fact, that Iraq pay reparations for what happened in Kuwait?

HAQ: I think that's a different issue altogether because in that case Iraq had violated an international discipline. It had definitely caused a lot of damage to Kuwait, economic, social and political, and in that case, I think the international community is quite right in demanding that this kind of thing should not happen again. But this is certainly not the kind of situation that the Third World countries are in. They undertook a lot of debts in the 1980's and there were enough petro-dollars and, in fact, they sustained the global growth and recycling of those petro-dollars. They caused no damage. If anything, they lubricated the wheels of international commerce and development. They should not be penalized by history.

PEARSON: You were speaking a moment ago about capital transfer and also about the peace dividend but now with the super-powers cutting back on their defence spending, do you see the arms merchants now pushing their arms on Third World countries?

HAQ: Yes, I'm personally nervous about that. When I was Finance Minister in Pakistan, I had to deal with many arms merchants. Very aggressive, very sophisticated, who went to my President who happened to be a General and told him that, "what we are going to give them are Islamic loans, interest-free for the next twenty years", and my President would always turn around to me and say: "What kind of Finance Minister are you? You accept development loans at eight percent, ten percent interest rate which are not Islamic and these interest-free loans from these war arms merchants from my constituency you are not willing to accept". And I would say, "Who knows the price of a submarine, of a fighter bomber? Who knows how much interest has been built into it, one hundred percent? Or fifty percent?" And I feel that once there is some pressure on defence industries, there

will be even more of a stress on finding markets abroad. Already out of a total arms trade of thirty-four billion dollars a year, seventy-five percent is to poor developing countries and I think there should be some understanding between governments and arms merchants that this new wave of arms exports will be controlled. Not only for the economic benefit of developing countries but also for the political benefit of the developed countries themselves.

STEELE: Dr. Haq, you have a new measurement of human growth this year in the Report. You have a Human Freedoms Index. How much weight should be given to human freedoms in the overall context of development and how have you come to include human freedoms in your overall Report?

HAQ: We believe that no measure of human development is complete without human freedom. We took forty indicators of human freedom, distilled all of them from the UN Declaration of Human Rights, from international political conventions, from international treaties. So as such, these forty indicators have some international consensus behind them. These include multi-party elections, press freedoms, freedom to travel and to assembly and to opposition; ethnic and gender equality and a number of other freedoms taken for granted in the civilized world, like the rule of law. It is very difficult to measure each one of them. We have tried - it's a heroic attempt and it will be a controversial attempt. The idea is at least to advance an understanding of developing and developed countries because we all make impressionistic judgments about various countries. Here at least there is data painstakingly assembled on these forty indicators and according to that, Sweden tops the list, Iraq is at the bottom. We didn't play it that way but this is the way it came out.

MENON: Why does Iraq get the bottom? Why is it zero?

HAQ: Because out of the forty freedoms which are documented here, Iraq does not observe any one of those, according to all the data that has been assembled.

MENON: It's worse than South Africa?

HAQ: It is worse than South Africa because there are certain freedoms which are being respected there.

LITTLEJOHNS: The Palestinians have been conducting their intifada for quite a long time. Where does Israel stand in this list?

HAQ: Israel stands somewhere in-between. It, according to our reckoning, observes nineteen out of the forty freedoms but violates twenty-one of them particularly in regard to the Palestinians.

LITTLEJOHNS: And the United States?

HAQ: The United States comes thirty-three freedoms out of forty. It does not observe seven which are concerning capital punishment, ability to travel freely to communist countries like Cuba, similarly, gender equality and ethnic equality, so on some of those counts, it doesn't do well. Sweden scores about 38 freedoms out of forty and as such tops the list.

STEELE: That was rather a brave initiative given that the base data was for 1985 and so much has happened in the meantime to change the map, to re-arrange freedoms, boundaries, even countries themselves such as the Federal Republic of Germany

and the Democratic Republic which are now Germany. The Report doesn't reflect those. There are a lot of qualifications. Why this year? Why in 1991?

LITTLEJOHNS: I think you have to reply very quickly to that because we are almost out of time.

HAQ: I think we are up-dating the 1985 data to 1990 data. We have shown in the Report, countries which have had multi-party elections recently but I hope within the course of of another year, we'll have an up-dated index.

LITTLJOHNS: Mr. Haq, thank you for joining us on this edition of WORLD CHRONICLE.

Our guest has been Mahbub Ul Haq, Special Advisor to the Administrator of the United Nations Development Programme.

He was interviewed here at United Nations headquarters in New York by: Bhaskar Menon of PTI-TV of India; Ruth Pearson of Business Week Magazine; and Ian Steele of The Press Foundation of Asia.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of WORLD CHRONICLE.

****

Transcripts of the programme may be obtained free of charge by sending a stamped, self-addressed envelope to: **WORLD CHRONICLE**, United Nations, Room S-827, New York, New York 10017, USA.

WORLD CHRONICLE is broadcast worldwide and features guests whose work is concerned with major global issues. This programme is a public affairs presentation of this station from United Nations Radio and Television.

Additional information material about the United Nations can be obtained by writing to the Public Inquiries Unit, United Nations, Room GA-57, New York, New York, 10017, USA or the UN Information Centre in your country.